

SECOND REGULAR SESSION  
SENATE COMMITTEE SUBSTITUTE FOR

# SENATE BILL NO. 734

99TH GENERAL ASSEMBLY

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Reported from the Committee on Transportation, Infrastructure and Public Safety, May 3, 2018, with recommendation that the Senate Committee Substitute do pass.

4963S.05C

ADRIANE D. CROUSE, Secretary.

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## AN ACT

To repeal section 142.803, RSMo, and to enact in lieu thereof one new section relating to transportation funding, with a referendum clause and a contingent effective date.

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*Be it enacted by the General Assembly of the State of Missouri, as follows:*

Section A. Section 142.803, RSMo, is repealed and one new section  
2 enacted in lieu thereof, to be known as section 142.803, to read as follows:

142.803. 1. A tax is levied and imposed on all motor fuel used or  
2 consumed in this state as follows:

3 (1) Motor fuel, seventeen cents per gallon **until June 30, 2019. For all**  
4 **fiscal years beginning on or after July 1, 2019, such tax shall be twenty-**  
5 **seven cents per gallon. The state portion of the revenue generated by**  
6 **the increase in the rate of tax beginning July 1, 2019, shall be used for**  
7 **the actual cost of the state highway patrol in administering and**  
8 **enforcing any state motor vehicle laws and traffic regulations;**

9 (2) Alternative fuels, not subject to the decal fees as provided in section  
10 142.869, with a power potential equivalent of motor fuel. In the event alternative  
11 fuel, which is not commonly sold or measured by the gallon, is used in motor  
12 vehicles on the highways of this state, the director is authorized to assess and  
13 collect a tax upon such alternative fuel measured by the nearest power potential  
14 equivalent to that of one gallon of regular grade gasoline. The determination by  
15 the director of the power potential equivalent of such alternative fuel shall be  
16 prima facie correct;

17 (3) Aviation fuel used in propelling aircraft with reciprocating engines,

**EXPLANATION—Matter enclosed in bold-faced brackets [thus] in this bill is not enacted and is intended to be omitted in the law.**

18 nine cents per gallon as levied and imposed by section 155.080 to be collected as  
19 required under this chapter;

20 (4) Compressed natural gas fuel, five cents per gasoline gallon equivalent  
21 until December 31, 2019, eleven cents per gasoline gallon equivalent from  
22 January 1, 2020, until December 31, 2024, [and then] seventeen cents per  
23 gasoline gallon equivalent **from January 1, 2025, until December 31, 2025,**  
24 **and then twenty-seven cents per gasoline gallon equivalent**  
25 thereafter. The gasoline gallon equivalent and method of sale for compressed  
26 natural gas shall be as published by the National Institute of Standards and  
27 Technology in Handbooks 44 and 130, and supplements thereto or revisions  
28 thereof. In the absence of such standard or agreement, the gasoline gallon  
29 equivalent and method of sale for compressed natural gas shall be equal to five  
30 and sixty-six-hundredths pounds of compressed natural gas. All applicable  
31 provisions contained in this chapter governing administration, collections, and  
32 enforcement of the state motor fuel tax shall apply to the tax imposed on  
33 compressed natural gas, including but not limited to licensing, reporting,  
34 penalties, and interest;

35 (5) Liquefied natural gas fuel, five cents per diesel gallon equivalent until  
36 December 31, 2019, eleven cents per diesel gallon equivalent from January 1,  
37 2020, until December 31, 2024, [and then] seventeen cents per diesel gallon  
38 equivalent **from January 1, 2025, until December 31, 2025, and then**  
39 **twenty-seven cents per diesel gallon equivalent** thereafter. The diesel  
40 gallon equivalent and method of sale for liquefied natural gas shall be as  
41 published by the National Institute of Standards and Technology in Handbooks  
42 44 and 130, and supplements thereto or revisions thereof. In the absence of such  
43 standard or agreement, the diesel gallon equivalent and method of sale for  
44 liquefied natural gas shall be equal to six and six-hundredths pounds of liquefied  
45 natural gas. All applicable provisions contained in this chapter governing  
46 administration, collections, and enforcement of the state motor fuel tax shall  
47 apply to the tax imposed on liquefied natural gas, including but not limited to  
48 licensing, reporting, penalties, and interest;

49 (6) Propane gas fuel, five cents per gallon until December 31, 2019, eleven  
50 cents per gallon from January 1, 2020, until December 31, 2024, [and then]  
51 seventeen cents per gallon **from January 1, 2025, until December 31, 2025,**  
52 **and then twenty-seven cents per gallon** thereafter. All applicable provisions  
53 contained in this chapter governing administration, collection, and enforcement

54 of the state motor fuel tax shall apply to the tax imposed on propane gas  
55 including, but not limited to, licensing, reporting, penalties, and interest;

56 (7) If a natural gas, compressed natural gas, liquefied natural gas,  
57 electric, or propane connection is used for fueling motor vehicles and for another  
58 use, such as heating, the tax imposed by this section shall apply to the entire  
59 amount of natural gas, compressed natural gas, liquefied natural gas, electricity,  
60 or propane used unless an approved separate metering and accounting system is  
61 in place.

62 **2. Notwithstanding any provision of law to the contrary,**  
63 **beginning on January 1, 2026, all motor fuels and alternative fuels,**  
64 **including, but not limited to, gasoline, diesel fuel, electricity, hydrogen,**  
65 **propane, compressed natural gas, and liquified natural gas, shall be**  
66 **taxed at the same rate. The department of agriculture, in cooperation**  
67 **with the department of revenue, shall where necessary promulgate a**  
68 **rule on or before December 31, 2023, to implement the provisions of this**  
69 **subsection. Any rule or portion of a rule, as that term is defined in**  
70 **section 536.010 that is created under the authority delegated in this**  
71 **section shall become effective only if it complies with and is subject to**  
72 **all of the provisions of chapter 536, and, if applicable, section**  
73 **536.028. This section and chapter 536 are nonseverable and if any of**  
74 **the powers vested with the general assembly pursuant to chapter 536,**  
75 **to review, to delay the effective date, or to disapprove and annul a rule**  
76 **are subsequently held unconstitutional, then the grant of rulemaking**  
77 **authority and any rule proposed or adopted after August 28, 2018, shall**  
78 **be invalid and void.**

79 **3.** All taxes, surcharges and fees are imposed upon the ultimate consumer,  
80 but are to be precollected as described in this chapter, for the facility and  
81 convenience of the consumer. The levy and assessment on other persons as  
82 specified in this chapter shall be as agents of this state for the precollection of the  
83 tax.

Section B. This act is hereby submitted to the qualified voters of this state  
2 for approval or rejection at an election which is hereby ordered and which shall  
3 be held and conducted on Tuesday next following the first Monday in November,  
4 2018, pursuant to the laws and constitutional provisions of this state for the  
5 submission of referendum measures by the general assembly, and this act shall  
6 become effective when approved by a majority of the votes cast thereon at such

7 election and not otherwise.

Section C. Pursuant to chapter 116, and other applicable constitutional  
2 provisions and laws of this state allowing the general assembly to adopt ballot  
3 language for the submission of referendum measures to the voters of this state,  
4 the official summary statement of the act proposed in section A of this act shall  
5 be as follows:

6 "Shall Missouri law be amended to increase the rate of tax on  
7 motor fuel from seventeen cents per gallon to twenty-seven cents  
8 per gallon beginning on July 1, 2019, to provide for the funding of  
9 the Missouri State Highway Patrol?"

Section D. Pursuant to chapter 116, and other applicable constitutional  
2 provisions and laws of this state allowing the general assembly to adopt ballot  
3 language for the submission of referendum measures to the voters of this state,  
4 the official fiscal note summary of the act proposed in section A of this act shall  
5 be as follows:

6 "If passed, this measure will generate at least \$288 million  
7 annually to the State Road Fund to provide for the funding of the  
8 Missouri State Highway Patrol and \$123 million annually to local  
9 governments for road construction and maintenance."

Section E. Section A of this act shall become effective only upon the  
2 passage and approval by the voters of a constitutional amendment submitted to  
3 them by the general assembly allowing the general assembly to provide for the  
4 funding of the highway patrol by law.

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